ALJ/KHY/dc3

PROPOSED DECISION

Agenda ID #14329 Ratesetting

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Enhance the Role of Demand Response in Meeting the State's Resource Planning Needs and Operational Requirements.	Rulemaking 13-09-011 (Filed September 19, 2013)
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DECISION GRANTING COMPENSATION TO CLEAN COALITION FOR SUBSTANTIAL CONTRIBUTION TO DECISIONS 14-12-024 AND 15-02-007

Intervenor: Clean Coalition	For contribution to Decision (D.) 14-12-024 (modified by D.15-02-007)
Claimed: \$94,670	Awarded: \$71,046.25 (~24.95% reduction)
Assigned Commissioner: Michel Florio	Assigned ALJ: Kelly A. Hymes

PART I: PROCEDURAL ISSUES

THE THOUSE INVEST			
A. Brief description of Decision:	D.14-12-024 (modified by D.15-02-007): The decision		
	adopted interim policies to enhance the role of demand		
	response in meeting California's electric resource planning		
	needs. The decision adopted, with modifications, a		
	settlement proposal to resolve Phase Three issues. Three		
	main demand response working groups will be established		
	and a study conducted to determine the potential demand		
	response resources in each of the service areas of PG&E,		
	SDG&E and SCE.		

B. Intervenor must satisfy intervenor compensation requirements set forth in Pub. Util. Code §§ 1801-1812:

	Intervenor	CPUC Verified
Timely filing of notice of intent to claim	(§ 1804(a)):	
1. Date of Prehearing Conference (PHC):	Oct. 24, 2013	Verified.
2. Other specified date for NOI:		
3. Date NOI filed:	Nov. 26, 2014	Verified.
4. Was the NOI timely filed?		Yes, Clean Coalitions

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timely filed the notice of intent to claim intervenor compensation for Phase III of the proceeding. Clean Coalition first filed a notice of intent to claim intervenor compensation 33 days after the October 24, 2013 prehearing conference. Because the final day for submission fell on Saturday, November 23, 2013, Clean Coalition would have been able to timely file on the November 25, 2013. See § 1804(a) of the Public Utilities Code, Rule 1.15 of the Commission's Rules of Practice and Procedure and the timely filed Notices of Intent of Sierra Club and TURN (filed on November 25, 2013).

Because Clean
Coalition did not
timely file the notice
of intent to claim
intervenor
compensation it is
ineligible to receive
compensation in
Phases I and II of this
proceeding.

		Pursuant to Public Utilities Code § 1804(a)(1), the Commission allowed new notices of intent to claim intervenor compensation to be filed for Phase III. The final date for filing was May 05, 2014. Clean Coalition timely filed the notice of intent on April 25, 2014.
Showing of customer or custom	er-related status (§ 180	
5. Based on ALJ ruling issued in proceeding number:	R.10-05-006	Verified.
6. Date of ALJ ruling:	July 19, 2011	Verified.
7. Based on another CPUC determination (specify):		
8. Has the Intervenor demonstrated customer or customer-related status?		Yes, Clean Coalition demonstrated appropriate status.
Showing of "significant finan	cial hardship" (§ 1802(g)):
Based on ALJ ruling issued in proceeding number:	R.10-05-006	No.
10. Date of ALJ ruling:	July 19, 2011	No.
11. Based on another CPUC determination (specify):		
. 12. Has the Intervenor demonstrated significant fin	nancial hardship?	The demonstration in R.10-05-006 is outside of the one-year window of presumptive eligibility. The Commission, in the present Decision, finds that Clean Coalition

Timely request for com	pensation (§ 1804(c)):	demonstrated significant financial hardship and notes that we have recently awarded Clean Coalition intervenor compensation and approved Clean Coalition's eligibility. See e.g., D.15-06-027.
13. Identify Final Decision:	D.14-12-035	No. D.14-12-035
13. Identify I man Decision.	D.11 12 033	was issued in R.11-09-011. D.14-12-024 is the correct decision.
14. Date of issuance of Final Order or Decision:	Dec. 22, 2014	No. D.14-12-024 issued on December 09, 2014. D.15-02-007, modifying D.14-12-024, issued on February 13, 2015.
15. File date of compensation request:	Feb. 20, 2015	April 13, 2015.
16. Was the request for compensation timely?		Yes, Clean Coalition timely filed the request for compensation.

C. Additional Comments on Part I:

#	Intervenor's Comment(s)	CPUC Discussion
I.B.5,9	In R.14-07-002, the ALJ requested an amended NOI, providing additional information to substantiate Clean Coalition's customer status and showing of significant hardship. That amended NOI was filed on Mar. 19, 2015 in R.14-07-002 and copied to the intervenor compensation coordinator.	Verified.

PART II: SUBSTANTIAL CONTRIBUTION

A. Did the Intervenor substantially contribute to the final decision (see § 1802(i), § 1803(a), and D.98-04-059).

Intervenor's Claimed Contribution(s)	Specific References to Intervenor's Claimed Contribution(s)	CPUC Discussion
1. Local Reliability. The Clean Coalition urged that the impact of DR resources on reliability, especially local distributed reliability, must be considered in any analysis. See Clean Coalition Comments on OIR to Enhance the Role of DR in Meeting the State's Resource Planning Needs and Operation Requirements ("Oct. 21, 2013 OIR Comments"), pp. 6-9; Clean Coalition Comments on Phase 2 Foundational Issues ("Dec. 13, 2013 Foundational Comments"), Sec. II; Clean Coalition Opening Comments on Proposed Decision Addressing Foundation Issue of the Bifurcation of DR Programs ("Mar. 13, 2014 Comments on PD"), pp. 4-5.	D.14-03-026 noted Clean Coalition's concerns about reliability and the integration of distributed energy resources. See D.14-03-026, p. 15. The decision defined various DR terms, often with consideration of the impacts on reliability. See D.14-03-026, pp. 19-20.	Clean Coalition was not an eligible intervenor until Phase III of this proceeding and is, therefore, ineligible for compensation for work occurring before that Phase.
The Clean Coalition urges that DR resources should not be required to be bid into the CAISO market, as they may be used to address local reliability. <i>See</i> Mar. 13, 2014 Comments on PD, pp. 2-3.	D.14-03-026 noted Clean Coalition's recommendations regarding local distribution level reliability and opposition to the requirement that DR resources be bid into the CAISO market. <i>See</i> D.14-03-026, p. 18.	
Clean Coalition identifies some complicating factors in bidding to the CAISO market. <i>See</i> Mar. 13, 2014 Comments on PD, pp. 2-3.	The Commission does not require CAISO exclusive control of the DR market and agrees that DR must be available to address local reliability as well. <i>See</i> D.14-03-026, p. 22; see also FOF 8, 9, 17.	

Intervenor's Claimed Contribution(s)	Specific References to Intervenor's Claimed Contribution(s)	CPUC Discussion
2. Bifurcation/Load Modifying Resources. The Clean Coalition urges equal focus on Load Modifying Resources, noting their role in complementing renewable generation. <i>See</i> Oct. 21, 2013 OIR Comments, pp. 2-6; Mar. 13, 2014 Comments on PD, pp. 2-3. See also Joint Notice of Ex Parte Communication, filed Jan. 19, 2014; SCE Notice of Ex Parte Communication, filed Mar. 24, 2014.	The Commission defines Load Modifying Resources ("LMR") generally, and notes that further exploration of the role of LMR in meeting electrical resource planning will occur later in the proceeding. See D.14-03-026, pp. 19-20, 21-22; see also COL 5, Order 2. The Commission agreed with the establishment of the Load-Modifying Working Group, stating "Load Modifying Resource issues will be addressed through a combination of the results of the Study, and the efforts of both the Valuation Working Group and the Operations Working Group." See D.14-02-024, p. 29. (The Clean Coalition co-chairs the resulting Load Modifying Subgroup and is contributing to the joint report.)	Clean Coalition was not an eligible intervenor until Phase III of this proceeding and is, therefore, ineligible for compensation for work occurring before that phase. The Commission recognizes Clean Coalition's contribution regarding the Load-Modifying Working Group, but notes that Clean Coalition's filings occurred prior to achieving eligibility.
		The Commission notes the proper decision number is D. 14-12-024.
3. Locational Value. The Clean Coalition recommends that the value of DR resources in avoiding transmission and distribution ("T&D") costs be considered. The Clean Coalition has substantial expertise in the role of distributed energy resources in avoiding T&D costs, and provides statutory support for the role of distribution resources planning. See Clean Coalition Reply Comments on the Proposed Decision Approving DR Program Improvements and 2015-2016	The Commission reverses the position in the Proposed Decision rejecting funding for PG&E's T&D Pilot. The Commission relies on Clean Coalition's recommendations regarding the T&D Pilot's role in integrated distribution resources planning. See D.14-05-025, pp. 31-32; see also FOF 47-50, COL 20, Order 6e. The Commission agreed with the establishment of the Load-Modifying Working Group, "Load Modifying Resource issues will be addressed through a combination of the results of	Clean Coalition's comments from May 12, 2014, addressed issues that proposed decision which became D.14-05-025. Clean Coalition was not an eligible intervenor until Phase III of this proceeding and is, therefore, ineligible for compensation for work occurring before that phase.

Intervenor's Claimed Contribution(s)	Specific References to Intervenor's Claimed Contribution(s)	CPUC Discussion
Bridge Funding Budget ("May 9, 2014 Reply Comments on PD"), pp. 3-5.	the Study, and the efforts of both the Valuation Working Group and the Operations Working Group." See D.14-02-024, p. 29.	
The Clean Coalition recommends that PG&E Transmission and Distribution Deferral Pilot ("T&D Pilot") be funded in 2015-2016, as it demonstrates the role of DR in avoiding ("T&D") and as part of an integrated distribution resources plan. <i>See</i> May 9, 2014 Reply Comments on PD, pp. 1-3.	(The Clean Coalition co-chairs the resulting Load Modifying Subgroup and is contributing to the joint report recommending values that include avoided transmission and distribution costs.)	
4. Settlement Agreement. The Clean Coalition and most of the parties in the proceeding, including the investor-owned utilities (PG&E, SDG&E and SCE), the California Independent System Operator, consumer groups (The Utility Reform Network and the Office of Ratepayer Advocates, environmental advocates (Environmental Defense Fund, Sierra Club), and groups representing various interests (Olivine, EnergyHub, Marin Clean Energy, EnerNoc, Johnson Controls, Comverge, Alliance for Retail Energy Markets/ Direct Access Coalition), collaborated in a Settlement Agreement to promote increased adoption of cost-effective DR in order to meet California's electricity planning goals, reduce air	The Commission noted the Settlement Agreement to address Phase Three issues. The proposed Settlement addressed five overlapping issues: 1) Demand Response Goals; 2) Demand Response Valuation; 3) Demand Response Auction Mechanism/Utility Roles/Future Procurement; 4) CAISO Integration; and 5) Budget Cycles. See D.14-02-024, pp. 8-9. Issue 1 Goals: The Settling Parties agreed to interim statewide goals. See D.14-02-024, p. 10. Issues 2 & 4 Valuation and CAISO Integration: The Settling Parties recommended that the Commission continue the current system and local resource adequacy valuation of demand response programs through 2019 to provide sufficient time to gain a better understanding of costs and existing barriers to CAISO integration. Furthermore, the Settling Parties	The Commission notes the correct decision number is D. 14-12-024. Clean Coalition's representation of the terms of the settlement approved in D.14-12-024/ D.15-02-007 is accurate and its description of its prior litigation positions is also accurate. Pursuant to D.94-10-029, the Commission has discretion to award compensation to parties who participated in settlement
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Intervenor's Claimed Contribution(s)	Specific References to Intervenor's Claimed Contribution(s)	CPUC Discussion
The Clean Coalition was an active participant throughout the process of developing the Settlement Agreement, and the process of having its terms adopted (with some modifications) into D.14-02-024. The Clean Coalition cannot detail its contributions to the Settlement Agreement, as these deliberations and discussions are confidential, pursuant to Commission Rule of Practice and Procedure 12.	and valuation of demand response programs after 2019: Supply Resource Demand Response Integration Working Group, Load Modifying Resource Demand Response Valuation Working Group, and Load Modifying Resource Demand Response Operations Working Group. See D.14-02-024, p. 11. The Commission agreed with the establishment of the Load-Modifying Working Group, "Load Modifying Resource issues will be addressed through a combination of the results of the Study, and the efforts of both the Valuation Working Group and the Operations Working Group." See D.14-02-024, p. 29.	substantial contribution to a decision. We find that Clean Coalition's participation in the settlement made a substantial contribution to D.14-12-024/D.15-02-007.

B. Duplication of Effort (§ 1801.3(f) and § 1802.5):

	Intervenor's Assertion	CPUC Discussion
a. Was the Office of Ratepayer Advocates (ORA) a party to the proceeding? ¹	Yes	Yes.
b. Were there other parties to the proceeding with positions similar to yours?	Yes.	
c. If so, provide name of other parties: Environmental Defense Fund, Sierra Club, Olivine, EnergyHu Johnson Controls, Comverge	Verified.	
d. Intervenor's claim of non-duplication:	Verified.	
The parties cited above made similar recommendations regard DR, especially Load Modifying Resources, in addressing electroniant planning and reliability issues. However, the Clean Coalition's recommendations were unique in emphasizing local reliability		

¹ The Division of Ratepayer Advocates was renamed the Office of Ratepayer Advocates effective September 26, 2013, pursuant to Senate Bill No. 96 (Budget Act of 2013: public resources), which was approved by the Governor on September 26, 2013.

distribution system planning.

Of course all of the parties involved in the Settlement Agreement reached consensus on many issues. This consensus was an efficient means of resolving contested issues.

PART III: REASONABLENESS OF REQUESTED COMPENSATION A. General Claim of Reasonableness (§ 1801 and § 1806):

a. Intervenor's claim of cost reasonableness:

The Clean Coalition contributed to D.14-03-026, D.14-05-025, and D.14-12-024 by providing information and expertise derived from our role as supporters of small distributed generation. We demonstrated the role that DR in general, and Load Modifying Resources in particular, could play in distribution resources planning and in ensuring reliability.

Our contributions will lead to proper integration of DR resources, so that reliability is achieved in a cost-effective manner. The increased adoption of DR resources will reduce other forms of electricity generation, which have high levels of air pollution and greenhouse gas emissions. Our work will enable DR resources to help create a more efficient electricity grid, which will lead to cost savings for ratepayers.

b. Reasonableness of hours claimed:

The Clean Coalition contributed to D.14-02-024 in large part through our expertise in distribution resources planning and the integration of distributed energy resources (including DR) into the electricity grid.

The hours we claim for work in this proceeding represent a great deal of technical expertise particularly regarding the potential roles of load modifying resources at the distribution level, including modeling application and valuation. Although we have spent a significant amount of time developing this expertise related to the integration of distributed energy resources, only those staff hours spent specifically developing the recommendations for this proceeding are part of this compensation request.

Director of Economics and Policy Analysis Kenneth Sahm White provided much of the expertise underlying our contributions. He took part in drafting the organization's filings. He also participated in the development of the Settlement Agreement and in the transition from Ms. Wang to Mr. Gallardo. Mr. White's requested rates of \$290 and \$300

CPUC Discussion

Clean Coalition is not eligible to receive compensation in the proceeding until Phase III. Clean Coalition did not contribute to Phases I and II

Clean Coalition is not eligible to receive compensation in the proceeding until Phase III. Clean Coalition did not contribute to Phases I and II. reflect the significant level of expertise he has developed working on energy issues for more than 15 years, including 5 years practicing in front of the Commission.

Policy Director Stephanie Wang drafted comments and briefs through the majority of this proceeding and led participation in the Settlement. We are requesting a rate increase of \$25 for Ms. Wang in 2014 to reflect a step increase as well as a cost-of-living adjustment from her hourly rate of \$305 in 2013. Ms. Wang's resume is attached.

Policy Director Enrique Gallardo engaged in the proceeding in its final stages, while the Commission modified the terms of the Settlement Agreement, and handled Clean Coalition's acceptance of those modified terms. He also prepared the intervenor compensation claim. Mr. Gallardo has extensive experience before the Commission, and is very efficient in his work.

c. Allocation of hours by issue:

The request for compensation is divided into four issues: 1) Local Reliability; 2) Bifurcation/Load Modifying Resources; 3) Locational Value; and 4) Settlement Agreement. This was the most efficient and coherent division into issues. The Clean Coalition also provided other, smaller contributions regarding a myriad of issues in this proceeding, but we have simplified the claim here.

Clean Coalition is not eligible to receive compensation in the proceeding until Phase III. Clean Coalition did not contribute to Phases I and II. Clean Coalition will receive compensation for work related to the Phase III Settlement Agreement and other miscellaneous Phase 3 work. Because Clean Coalition was not eligible for intervenor compensation until Phase III, the Commission cannot compensate for hours related to Local Reliability, Bifurcation/Load Modifying Resources, and Locational Value.

B. Specific Claim:*

CLAIMED									CPUC Aw	ARD	
		A'	ГТО	RNE	Y, E	XPERT, A	ND A	ADVOCAT	TE FEES		
Item	Year	Hours	Ra	ate \$		Sasis for Rate*	1	Total \$	Hours	Rate \$	Total \$
Kenneth Sahm White	2013	5.25	\$2	290	D.13-12-023 and ALJ-287		\$	51,522.50	00.00	\$285.00 See D.15- 06-027.	\$00.00
Kenneth Sahm White	2014	53	\$300		D.13-12-023 and ALJ-303		\$1	5,900.00	52.00	\$295.00	\$15,340.00
Stephanie Wang	2013	34.25	\$3			4-12-075 ALJ-303	\$1	1,302.50	00.00	\$305.00 See D.15- 06-027.	\$00.00
Stephanie Wang	2014	157.75	\$.			4-12-075 ALJ-303	\$5	53,635.00	138.00	\$315.00 See D.15- 06-027.	\$43,470.00
Enrique Gallardo	2014	24	\$.	390	D.14-12-068		\$	59,360.00	24.00	\$390.00	\$9,360.00
Enrique Gallardo	2015	3.25	\$4	400	D.14-12-068 and ALJ-303		\$	51,300.00	3.25	\$390.00 <i>See</i> Res. ALJ-303.	\$1,267.50
						Subt	otal:	\$93,020		Subtotal	<i>!</i> : \$69,437.50
	I	NTERV	ENO	R CC	MP	ENSATION	N CI	LAIM PRE	PARATI	ON **	
Item	Yea	ar Hou	ırs	Rate	Basis for Rate*		•	Total \$	Hours	Rate	Total \$
Enrique Gallardo	201	15 8	.25	\$200	D.14-12-068 and ALJ-303		\$1,650	8.25	\$195.00	1,608.75	
						Subte	otal:	\$1,650.00		Subto	tal: \$1,608.75
					TO	ΓAL REQU	JEST	Γ: \$94,670	TOTA	L AWARD	: \$71,046.25

^{**}We remind all intervenors that Commission staff may audit their records related to the award and that intervenors must make and retain adequate accounting and other documentation to support all claims for intervenor compensation. Intervenor's records should identify specific issues for which it seeks compensation, the actual time spent by each employee or consultant, the applicable hourly rates, fees paid to consultants and any other costs for which compensation was claimed. The records pertaining to an award of compensation shall be retained for at least three years from the date of the final decision making the award

		CPUC AWARD					
ATTORNEY, EXPERT, AND ADVOCATE FEES							
**Travel and Reasonable rate	Claim preparation time typic	ally compensated at ½ of	f preparer's normal hourly				
ATTORNEY INFORMATION							
Attorney	Date Admitted to CA BAR ²	Member Number	Actions Affecting Eligibility (Yes/No?) If "Yes", attach explanation				
Enrique Gallardo	December 09, 1997	191670	No. Not eligible to practice law from 05/27/2015 until 06/26/2015.				
Stephanie Wang	September 29, 2008	257437	No				

PART IV: OPPOSITIONS AND COMMENTS
Within 30 days after service of this Claim, Commission Staff or any other party may file a response to the Claim (see § 1804(c))

A. Opposition	n: Did any party oppose the Claim?	Yes.
Party Reason for Opposition		CPUC Discussion
Southern California Edison Company (SCE)	SCE believes the Commission should review claims for intervenor compensation in the aggregate. The intervenors requested a large amount of money and, according to SCE, the positions of the intervenors' were often duplicative and diminished the efficiency of the proceeding.	As the Commission previously stated: "Section 1801.3(f) provides that the Commission should administer the Intervenor Compensation Program 'in a manner that avoids unproductive or unnecessary participation that duplicates the participation of similar interests otherwise adequately represented or participation that is not necessary for a fair determination of the proceeding.' This section creates three separate standards – productivity, uniqueness, and necessity – by which we measure participation. In D.98-04-059, we determined that we would carefully consider each of these three standards in making eligibility findings and

² This information may be obtained through the State Bar of California's website at http://members.calbar.ca.gov/fal/MemberSearch/QuickSearch.

	in assessing compensability. Productivity generally concerns the efficiency, competence, effectiveness, and reasonableness, in terms of the cost of the participation; uniqueness, the non-duplication of effort; and necessity, the relevancy of the participation." <i>See</i> D.00-02-044. We find Clean Coalition's participation was productive, efficient, and was not substantially duplicative. Because the intervenor compensation statutes do not provide a ceiling for intervenor compensation will continue to utilize the factors discussed in
	compensation, the Commission will
B. Comment Period: Was the 30-day comment	aggregate total of compensation requests by intervenors in a proceeding. Yes.
period waived (see Rule 14.6(c)(6))?	

FINDINGS OF FACT

- 1. Clean Coalition has made a substantial contribution to D.14-12-024, as modified by D.15-02-007.
- 2. The requested hourly rates for Clean Coalition's representatives, as adjusted herein, are comparable to market rates paid to experts and advocates having comparable training and experience and offering similar services.
- 3. The claimed costs and expenses are reasonable and commensurate with the work performed.
- 4. The total of reasonable compensation is \$71,046.25.

CONCLUSION OF LAW

- 1. The Claim, with any adjustment set forth above, satisfies all requirements of Pub. Util. Code §§ 1801-1812.
- 2. Comments on today's decision should be waived and the decision should be made effective immediately.

ORDER

- 1. Clean Coalition shall be awarded \$71,046.25.
- 2. Within 30 days of the effective date of this decision, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company shall pay Clean Coalition their respective shares of the award, based on their California-jurisdictional electric revenues for the 2014 calendar year, to reflect the year in which the proceeding was primarily litigated. Payment of the award shall include compound interest at the rate earned on prime, three-month non-financial commercial paper as reported in Federal Reserve Statistical Release H.15, beginning June 27, 2015 the 75th day after the filing of Clean Coalition's request, and continuing until full payment is made.
- 3. The comment period for today's decision is waived.

4.	This decision is effe	ective today.
	Dated	, at Sacramento, California

APPENDIX Compensation Decision Summary Information

Compensation Decision:		Modifies Decision?	No
Contribution	D.14-12-024 (modified by D.15-02-00	07)	
Decision(s):			
Proceeding(s):	A1309011		
Author:	ALJ Hymes		
Payer(s):	Pacific Gas and Electric Company, Sa	n Diego Gas & Electric, a	ınd
	Southern California Edison Company		

Intervenor Information

Intervenor	Claim	Amount	Amount	Multiplier?	Reason	
	Date	Requested	Awarded		Change/Disallowance	
Clean Coalition	04/13/2015	\$94,670.00	\$71,046.25	N/A	Not eligible to receive compensation until	
					Phase III.	

Advocate Information

First Name	Last Name	Туре	Intervenor	Hourly Fee Requested	Year Hourly Fee Requested	Hourly Fee Adopted
Kenneth Sahm	White	Expert	Clean Coalition	\$290.00	2013	\$285.00
Kenneth Sahm	White	Expert	Clean Coalition	\$300.00	2014	\$295.00
Stephanie	Wang	Attorney	Clean Coalition	\$330.00	2013	\$305.00
Stephanie	Wang	Attorney	Clean Coalition	\$340.00	2014	\$315.00
Enrique	Gallardo	Attorney	Clean Coalition	\$390.00	2014	\$390.00
Enrique	Gallardo	Attorney	Clean Coalition	\$400.00	2015	\$390.00

(END OF APPENDIX)